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Attorneys for Creditor ARB, INC.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re
PG&E CORPORATION
and
PACIFIC GAS AND ELECTRIC
COMPANY
Debtors.

Case No. 19-30088 DM (Lead Case)
(Jointly Administered with Case No.
19-30089 DM)
Chapter 11

**NOTICE OF CONTINUED
PERFECTION OF AMENDED
MECHANICS LIEN PURSUANT
TO 11 U.S.C. § 546(b)(2)**

[Alameda County, Document
Nos. 2019175755 and 2019198764]

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric
Company
☒ Affects both Debtors.

* All papers shall be filed in the Lead
Case No. 19-30088 DM.

ARB, Inc. ("ARB"), by and through its undersigned counsel, hereby gives notice of
continued perfection of its amended mechanics lien under 11 U.S.C. § 546(b)(2), as
follows:

1. ARB is a corporation that has provided and delivered labor, services,
equipment, and materials for the construction and improvement of projects on real
property located in the County of Alameda, State of California (the "Property") and owned

1 by PG&E Corporation and/or Pacific Gas and Electric Company (collectively, the
2 “Debtors”).

3 2. Through January 29, 2019 (the “Petition Date”), the amount owing to ARB
4 was approximately \$11,785,261.83, exclusive of accruing interest and other charges.
5 Before the Petition Date, on January 25, 2019, ARB properly perfected its mechanics lien
6 under California Civil Code §§ 8400, *et seq.* by timely recording its Mechanics Lien
7 (Claim of Lien) in the amount of \$11,785,261.83 in the Official Records of Alameda
8 County, State of California, as Document No. 2019012305 (“Initial Mechanics Lien”).

9 3. On June 14, 2019, and subsequent to recording the Initial Mechanics Lien,
10 ARB amended its lien claim amount and continued the proper perfection of its mechanics
11 lien under California Civil Code §§ 8400, *et seq.* by timely by recording an Amended
12 Mechanics Lien (Claim of Lien) in the amount of \$12,385,734.48 in the Official Records
13 of Alameda County, State of California, as Document No. 2019113026.

14 4. On September 5, 2019, and subsequent to recording the Initial Mechanics
15 Lien and the amended mechanics lien, ARB further amended its lien claim amount and
16 continued the proper perfection of its mechanics lien under California Civil Code §§ 8400,
17 *et seq.* by timely recording another Amended Mechanics Lien (Claim of Lien) in the
18 amount of \$12,341,444.11 in the Official Records of Alameda County, State of California,
19 as Document No. 2019175755 (“Amended Mechanics Lien”), a true and correct copy of
20 which is attached hereto as Exhibit A.

21 5. After all appropriate credits and offsets, the amount owing to ARB through
22 September 30, 2019, is at least \$12,341,188.47, exclusive of accruing interest and other
23 charges. Accordingly, on October 2, 2019, ARB partially released (in the amount of
24 \$255.64) its lien claim amount and continued the proper perfection of its mechanics lien in
25 the amount of \$12,341,188.47 under California Civil Code §§ 8400, *et seq.* by timely
26 recording a Partial Release of Amended Mechanics Lien (“Partial Release”) in the Official
27 Records of Alameda County, State of California, as Document No. 2019198764, a true and
28 correct copy of which is attached hereto as Exhibit B.

1 6. Pursuant to California Civil Code § 8460, an action to enforce a lien must be
2 commenced within 90 days after recordation of the claim of lien. However, due to the
3 automatic stay set forth in 11 U.S.C. § 362, ARB is precluded from filing a state court
4 action to enforce its mechanics lien. 11 U.S.C. § 546(b)(2) provides that when applicable
5 law requires seizure of property or commencement of an action to perfect, maintain, or
6 continue the perfection of an interest in property, and the property has not been seized or
7 an action has not been commenced before the bankruptcy petition date, then the claimant
8 shall instead give notice of its intent to enforce the lien within the time fixed by law for
9 seizing the property or commencing an action. See 11 U.S.C. § 546(b)(2); see also In re
10 Baldwin Builders (Village Nurseries v. Gould), 232 B.R. 406, 410-411 (9th Cir. 1999);
11 Village Nurseries v. Greenbaum, 101 Cal.App.4th 26, 41 (Cal. Ct. App. 2002).

12 7. Accordingly, ARB previously provided notice of its rights and its intent to
13 enforce its rights as a perfected lienholder in the Property pursuant to California's
14 mechanics lien law. On February 22, 2019, ARB filed its Notice of Continued Perfection
15 of Mechanics Lien Pursuant to 11 U.S.C. § 546(b)(2) with respect to its Initial Mechanics
16 Lien [Dkt. No. 557] to preserve, perfect, maintain, and continue the perfection of its lien
17 and its rights in the Property to comply with the requirements of California state law,
18 11 U.S.C. §§ 362(a), 362(b)(3), and 546(b)(2), and any other applicable law ("Initial
19 Notice of Continued Perfection").

20 8. Due to the amendment of ARB's Initial Mechanics Lien and the subsequent
21 partial release, ARB hereby provides further notice of its rights and its continuing intent to
22 enforce its rights as a perfected lienholder in the Property pursuant to California's
23 mechanics lien law. ARB is filing and serving this notice to preserve, perfect, maintain,
24 and continue the perfection of its lien and its rights in the Property to comply with the
25 requirements of California state law, 11 U.S.C. §§ 362(a), 362(b)(3), and 546(b)(2), and
26 any other applicable law. The Initial Notice of Continued Perfection and this notice
27 constitute the legal equivalent of having recorded a mechanics lien in the recorder's office
28 for the county where the Property is located and then having commenced an action to

1 foreclose the lien in the proper court. By the Initial Notice of Continued Perfection and
2 this notice, the Debtors and other parties in interest are estopped from claiming that the
3 lawsuit to enforce ARB's mechanics lien was not timely commenced pursuant to
4 applicable state law. ARB intends to enforce its lien rights to the fullest extent permitted
5 by applicable law. The interests perfected, maintained, or continued by 11 U.S.C.
6 § 546(b)(2) extend in and to the proceeds, products, offspring, rents, or profits of the
7 Property.

8 9. The filing of the Initial Notice of Continued Perfection and this notice shall
9 not be construed as an admission that such filing is required under the Bankruptcy Code,
10 California mechanics lien law, or any other applicable law. In addition, ARB does not
11 make any admission of fact or law, and ARB asserts that its lien is senior to and effective
12 against entities that may have acquired rights or interests in the Property previously.

13 10. The filing of the Initial Notice of Continued Perfection and this notice shall
14 not be deemed to be a waiver of ARB's right to seek relief from the automatic stay to
15 foreclose its mechanics lien and/or a waiver of any other rights or defenses.

16 11. ARB reserves all rights, including the right to amend or supplement this
17 notice.

18 Dated: October 3, 2019

RUTAN & TUCKER, LLP
ROGER F. FRIEDMAN
PHILIP J. BLANCHARD
ASHLEY M. TEESDALE

By: /s/ Roger F. Friedman
Roger F. Friedman
Attorneys for Creditor ARB, INC.

EXHIBIT A

RECORDING REQUESTED BY AND MAIL TO:
(Name and mailing address, including city, state,
and ZIP code, of requesting party)

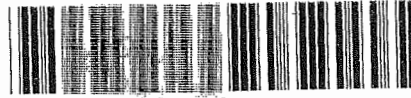
Philip J. Blanchard (State Bar No. 192378)
RUTAN & TUCKER, LLP
611 Anton Blvd., Suite 1400
Costa Mesa, California 92626
(714) 641-5100



2019175755

09/05/2019 03:12 PM

OFFICIAL RECORDS OF ALAMEDA COUNTY
MELISSA WILK
RECORDING FEE: 112.00



5 PGS

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

DOCUMENT TITLE

- ☐ ABSTRACT OF JUDGMENT
- ☐ ACKNOWLEDGMENT OF SATISFACTION OF JUDGMENT
- ☒ OTHER (specify): AMENDED MECHANICS LIEN

AMENDED MECHANICS LIEN RECORDED:

DATE: June 14, 2019

DOCUMENT NO.: 2019113026

AMOUNT: \$12,385,734.48

Exhibit A, Page 5

**AMENDED MECHANICS LIEN
(CLAIM OF LIEN)**

NOTICE IS HEREBY GIVEN: That, ARB, Inc., 26000 Commercentre Drive, Lake Forest, California 92630 ("Claimant") claims a lien for labor, service, equipment, and/or materials under Section 8400, et seq., of the Civil Code of the State of California, upon the premises hereinafter described, and upon every estate or interest in such structures, improvements and premises held by any party holding any estate or interest therein.

The labor, service, equipment and/or materials were furnished for the construction of those certain buildings, improvements, or structures now upon those certain parcels of land situated in the County of Alameda, State of California, said land described as follows:

Pipe location by mile point and street location

R-510 – MP 23.77-25.98

Gas mainline from Alameda Ave/Fruitvale Ave. to 7th St./Fruitvale Ave. and
3140 Chapman St to 2808 Chapman Ave. and
507 23rd Ave. to 527 23rd Ave. and
7th St in between 23rd Ave. and Kennedy St. and
800 Kennedy St. to 845 Kennedy St. and
845 Kennedy St. to 2135 Frederick St. and
909 King St. and
1991 Dennison St to 1907 Dennison St. and
2100 Embarcadero to 1103 Embarcadero
Oakland Ca,

R-511 – MP 26.49-27.76

Gas mainline from 351 Embarcadero to 100 Oak St. and
100 Oak St. to 221 Oak St. and
221 Oak St/3rd St. to 229 Brush St/3rd St.
Oakland, Ca

S-081

Station at 205 Brush St, Oakland, Ca

R-508 - MP 29.33-29.90

Gas mainline from 7825 San Leandro St. to 6425 San Leandro St.
Oakland, Ca

TT-723 – MP 31.84

Gas mainline at Fruitvale Ave and at or about 3125 7th St. Oakland, Ca

Exhibit A, Page 6

The lien is claimed for the following kind of labor, services, equipment and/or materials:
Project Bundle 28: R-508 L-105N MP 29.33 - 29.90 Replace 30" Pipe; R-510 L-153 2.28MI MP 23.77-26.05 Replace Vintage Pipe; R-511 L-153 1.26MI MP 26.62-27.88 Replace Vintage Pipe; RT-723 L-105N MP 31.8471-31.8541 & DFM-0107-01 Replace; S-081 Oakland Station Rebuild.

The amount due after deducting all just credits and offsets: \$12,341,444.11, plus interest.

The name of the person or company to whom claimant furnished labor, services, equipment or materials is: Pacific Gas and Electric Company, 77 Beale Street, 24th Floor, Mail Code B24W, San Francisco, California 94105.

The owner or reputed owner of said premises is: Pacific Gas and Electric Company, 77 Beale Street, 24th Floor, Mail Code B24W, San Francisco, California 94105.

**NOTICE OF AMENDED MECHANICS LIEN
ATTENTION!**

Upon the recording of the enclosed AMENDED MECHANICS LIEN with the county recorder's office of the county where the property is located, your property is subject to the filing of a legal action seeking a court-ordered foreclosure sale of the real property on which the lien has been recorded. That legal action must be filed with the court no later than 90 days after the date the mechanics lien is recorded.

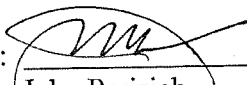
The party identified in the mechanics lien may have provided labor or materials for improvements to your property and may not have been paid for these items. You are receiving this notice because it is a required step in filing a mechanics lien foreclosure action against your property. The foreclosure action will seek a sale of your property in order to pay for unpaid labor, materials, or improvements provided to your property. This may affect your ability to borrow against, refinance, or sell the property until the mechanics lien is released.

BECAUSE THE LIEN AFFECTS YOUR PROPERTY, YOU MAY WISH TO SPEAK WITH YOUR CONTRACTOR IMMEDIATELY, OR CONTACT AN ATTORNEY, OR FOR MORE INFORMATION ON MECHANICS LIENS CO THE CONTRACTORS' STATE LICENSE BOARD WEB SITE AT www.cslb.ca.gov.

Date: September 3, 2019

Claimant: ARB, Inc.

By:


John Perisich
Executive Vice President

VERIFICATION


I, John Perisich, the undersigned, state that I am the Executive Vice President of ARB, Inc., the claimant named in the foregoing Amended Mechanics Lien. I have read said Amended Mechanics Lien and know the contents thereof, and I certify that the same is true of my own knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: September 3, 2019

ARB, Inc.

By:


John Perisich
Executive Vice President

SEE ATTACHED PROOF OF SERVICE AFFIDAVIT INCORPORATED HEREIN

Exhibit A, Page 8

**PROOF OF SERVICE AFFIDAVIT
STATE OF CALIFORNIA, COUNTY OF ORANGE**

I am employed in the County of Orange. I am over the age of eighteen years and not a party to the within Amended Mechanics Lien. My business address is 611 Anton Blvd., 14th Floor, Costa Mesa, California 92626.

On September 4, 2019, I served a copy of the enclosed **Amended Mechanics Lien and Notice of Amended Mechanics Lien** on the following person(s) by placing true copies thereof enclosed in sealed envelope(s) and/or package(s) addressed as follows:

Owner or Reputed Owner:

Pacific Gas and Electric Company
77 Beale Street, 24th Floor
Mail Code B24W
San Francisco, California 94105

- ☒ **BY CERTIFIED MAIL and U.S. MAIL:** I am "readily familiar" with the firm's practice of collection and processing correspondence for Certified Mail and First Class U.S. Mail. Under that practice it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at Costa Mesa, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 4, 2019, at Costa Mesa, California.

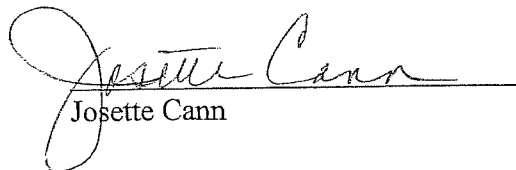

Josette Cann

EXHIBIT B

RECORDING REQUESTED BY AND MAIL TO:
(Name and mailing address, including city, state,
and ZIP code, of requesting party)

Philip J. Blanchard (State Bar No. 192378)
RUTAN & TUCKER, LLP
611 Anton Blvd., Suite 1400
Costa Mesa, California 92626
(714) 641-5100



2019198764

10/02/2019 11:23 AM

OFFICIAL RECORDS OF ALAMEDA COUNTY
MELISSA WILK
RECORDING FEE: 108.00

Has not been compared with Original
COPY of document to be recorded
Has not been compared with Original

4 PGS

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

DOCUMENT TITLE

- ☐ ABSTRACT OF JUDGMENT
☐ ACKNOWLEDGMENT OF SATISFACTION OF JUDGMENT
☒ OTHER (specify): PARTIAL RELEASE OF AMENDED MECHANICS LIEN

AMENDED MECHANICS LIEN RECORDED:

DATE: September 5, 2019

DOCUMENT NO.: 2019175755

AMOUNT: \$12,341,444.11

Recording Requested By:

Philip J. Blanchard, Esq.

When Recorded Return To:

Philip J. Blanchard (State Bar No. 192378)
Rutan & Tucker, LLP
611 Anton Blvd., 14th Floor
Costa Mesa, California 92626
(714) 641-5100

(SPACE ABOVE FOR RECORDER'S USE)

PARTIAL RELEASE OF AMENDED MECHANICS LIEN

The Amended Mechanics Lien claimed by ARB, Inc. against Pacific Gas and Electric Company (Owner), claiming a lien upon that certain real property located in the County of Alameda, State of California, and described as follows:

Pipe location by mile point and street location

R-510 – MP 23.77-25.98

Gas mainline from Alameda Ave/Fruitvale Ave. to 7th St./Fruitvale Ave. and
3140 Chapman St to 2808 Chapman Ave. and
507 23rd Ave. to 527 23rd Ave. and
7th St in between 23rd Ave. and Kennedy St. and
800 Kennedy St. to 845 Kennedy St. and
845 Kennedy St. to 2135 Frederick St. and
909 King St. and
1991 Dennison St to 1907 Dennison St. and
2100 Embarcadero to 1103 Embarcadero
Oakland California

R-511 – MP 26.49-27.76

Gas mainline from 351 Embarcadero to 100 Oak St. and
100 Oak St. to 221 Oak St. and
221 Oak St/3rd St. to 229 Brush St/3rd St.
Oakland, California

S-081

Station at 205 Brush St, Oakland, California

R-508 - MP 29.33-29.90

Gas mainline from 7825 San Leandro St. to 6425 San Leandro St.
Oakland, California

TT-723 – MP 31.84

Gas mainline at Fruitvale Ave and at or about 3125 7th St. Oakland, California,

which was recorded as Document No. 2019175755 on September 5, 2019, in the Official Records of the County of Alameda, State of California, is hereby partially released and reduced by the sum of \$255.64, and said claim of lien is now in the amount of \$12,341,188.47.

This release is a partial release and, except as specifically released as set forth above, original amounts claimed are still due, owing, and unpaid to ARB, Inc.

Claimant: ARB, Inc.

Dated: September 30, 2019

By: 

John Perisich
Executive Vice President

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

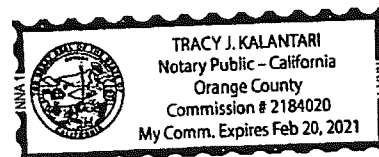
State of California)
County of Orange)

On September 30, 2019, before me, Tracy J. Kalantari, Notary Public, personally appeared John Perisich, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: T. Kalantari



(Seal)

1 **PROOF OF SERVICE**

2 **STATE OF CALIFORNIA, COUNTY OF ORANGE**

3
4 I am employed by the law office of Rutan & Tucker, LLP in the County of Orange, State
5 of California. I am over the age of 18 and not a party to the within action. My business address is
6 611 Anton Boulevard, Suite 1400, Costa Mesa, California 92626-1931.

7 On September 30, 2019, I served on the interested parties in said action the within:

8 **PARTIAL RELEASE OF AMENDED MECHANICS LIEN**

9 as stated below:

10 Pacific Gas & Electric Company
11 77 Beale Street, 24th Floor
12 Mail Code B24W
13 San Francisco, CA 94105

14 ☒ (BY MAIL) by placing a true copy thereof in sealed envelope(s) addressed as shown
15 above.

16 In the course of my employment with Rutan & Tucker, LLP, I have, through first-hand
17 personal observation, become readily familiar with Rutan & Tucker, LLP's practice of collection
18 and processing correspondence for mailing with the United States Postal Service. Under that
19 practice, I deposited such envelope(s) in an out-box for collection by other personnel of Rutan &
20 Tucker, LLP, and for ultimate posting and placement with the U.S. Postal Service on that same
21 day in the ordinary course of business. If the customary business practices of Rutan & Tucker,
22 LLP with regard to collection and processing of correspondence and mailing were followed, and I
23 am confident that they were, such envelope(s) were posted and placed in the United States mail at
24 Costa Mesa, California, that same date. I am aware that on motion of party served, service is
25 presumed invalid if postal cancellation date or postage meter date is more than one day after date
26 of deposit for mailing in affidavit.

27 Executed on September 30, 2019, at Costa Mesa, California.

28 I declare under penalty of perjury under the laws of the State of California that the
foregoing is true and correct.

Josette Cann

(Type or print name)

Josette Cann
(Signature)